



Judy Chu, Ph.D.

Chair, California State Board of Equalization
The Nation's Only Elected Statewide Constitutional Tax Authority
Fourth District – Los Angeles



e – NEWSLETTER

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Dear Friend:

Welcome to my E-Newsletter! I am pleased to share updates with you on some of my work in Sacramento and in the Fourth District throughout Los Angeles County.

Please visit my [website](#) for more information about upcoming events, important news relating to the Board of Equalization, and to view my photo gallery. As always, please do not hesitate to contact me at Judy.Chu@boe.ca.gov if I can be of assistance to you.

Sincerely,



JUDY CHU, Ph.D.

Chair, California State Board of Equalization

Board Chair Judy Chu hosts a VITA site in her District Office



For the first time, Chair Chu's office in Monterey Park became a Volunteer Income Tax Assistance (VITA) certified site. The VITA program offers free tax help to low- to moderate-income families (generally earning \$40,000 and below) seniors, and disabled who cannot prepare their own tax returns. "VITA is a free service that enables thousands of Californians to apply for money saving tax credits and file accurate and timely returns" said Chair Chu. "I'm proud my office is able to host this free service..." Over 150 tax returns were processed and completed by volunteer staff who provided assistance in English, Chinese and Spanish.

Her VITA site also assisted 39 taxpayers in filing for the Earned Income Tax Credit (EITC). EITC provides low and moderate income individuals and families who are eligible to receive a few hundred to several thousand dollars in a tax refund check or as extra money in their paychecks.

Chair Chu's office is still available to help those who qualify for the Economic Stimulus Package that was passed by Congress and the White House earlier this year. It provides an average of \$300 to \$600 to most qualifying taxpayers. Retirees, seniors, and other qualified taxpayers should know that they can apply even if they have not paid taxes in previous years. It's not too late to claim this rebate. Qualified residents just need to file an IRS form 1040, and have until October 15th to apply.

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Board Chair Chu Proposes Multibillion Dollar Sales Tax Solution to Budget Deficit



At a recent high-level meeting on the state's budget crisis, Board Chair Chu joined Assembly Speaker Karen Bass, Attorney General Bill Lockyer, State Controller John Chiang, and other business leaders to discuss current revenue and expenditures, and hear recommendations for revenue enhancements, including her sales tax proposal.

In 2004, Dr. Chu chaired the powerful State Assembly Appropriations Committee, where she authored a landmark tax amnesty bill which was estimated to bring in \$300 million, but actually brought in \$4.8 billion in revenue for the state budget without raising taxes. This was the most successful tax amnesty program in the nation in history.

Now that the state faces a serious fiscal crisis, Board Chair Chu has proposed to the Legislature that we broaden our sales tax base. "Extending the sales tax to services would modernize our sales tax base to better reflect commerce in the 21st century, and stabilize state General Fund revenues." Judy Chu's proposal would raise up to \$8.7 billion annually, by extending the sales tax to a variety of business services that are most frequently taxed by other large industrial states. This would help bring the budget into balance, and continue the funding of many essential programs such as schools, public health, and safety.

Board Chair Judy Chu's Taskforce Takes On the Underground Economy

Currently, the California Department of Industrial Relations (DIR) has only 22 inspectors to go after contract violators around the entire state. Through the work of her Underground Economy Taskforce, Dr. Chu is addressing this problem by sponsoring AB 2177, which authorizes DIR to expand its capacity by training volunteer Compliance Group Representatives to assist in the enforcement of prevailing wage law on public works projects. Without such oversight, the underground economy would continue unabated, with employers paying below prevailing wage rates on such projects. This program is modeled after the successful programs sponsored by the L.A. City Public Works Department and Los Angeles Unified School District. AB 2177 is currently in the Senate.

Dr. Chu's Taskforce also discovered that although DIR inspectors routinely find businesses operating illegally without a seller's permit, they could not share such information with the Board of Equalization (BOE). The Taskforce is working on a Memorandum of Understanding (MOU) to allow DIR to release to the BOE information on these violators. This sharing of information would greatly enhance the state's efforts to catch contract violators, and would provide for an efficiency of resources.

Dr. Chu expressed her commitment to combating the Underground Economy at the 10th Annual Underground Economy and Labor Compliance Conference in San Diego.



LA County Federation of Labor, Martin Luther King Breakfast: Dr. Chu joins in protecting workers' rights, with L.A. County Fed Labor leaders (from left to right): Sgt. John Stites, President of POPA, Ralph Miller, President of LA County Deputy Probation Officers Union, Sen. Mark Ridley Thomas, Maria Elena Durazo, Executive Secretary-Treasurer for LA County Federation of Labor.



Dr. Chu Supports New, Low Income Healthcare Facility



Formerly known as the LA Free Clinic, the now Saban Free Clinic of Los Angeles, received a major gift of \$10 million thanks to the generous support of Haim and Cheryl Saban. Dr. Chu joined in support and recognized the Sabans for their philanthropic efforts, posing here with Cheryl Saban presenting her a certificate. The Clinic serves the poorest people in the city from its location on Beverly Blvd near La Cienega,

and remains a national model in its successful provision of healthcare to the urban poor and indigent. With the infusion of resources from the Saban Foundation, the clinic will be able to continue its critical role in the Los Angeles area.

Judy Spearheads Important Legislation to Protect Women from Domestic Violence (AB 2487)

Women suffer not only physical harm from domestic violence, but economic harm. In an effort to protect such women, Dr. Chu is sponsoring AB 2487, which authorizes the Franchise Tax Board (FTB) to collect civil judgments on behalf of victims of domestic violence.

In 2002, the law was changed to allow domestic violence victims to file a civil suit against their abusers and for the court to award monetary restitution to victims. However, the process by which a victim must enforce such a judgment is costly and bureaucratic, and requires the victim to confront their abuser in court a second time. Many times, the barriers to collecting on a civil judgment are great enough to prevent the victim from going forward.

AB 2487 corrects this situation by enabling the Franchise Tax Board to collect civil judgments on behalf of victims of domestic violence. The FTB has a history of success in collecting court-ordered debt with regard to child support, court fines, fees, penalties, forfeitures and restitution orders. It has the ability to garnish wages and levy bank accounts of individuals ordered to pay fines, penalties or restitution.



AB 2487 is currently in the Senate.

Judy signs a petition to stop sexual violence at Denim Day at the State Capitol.

Board Chair Judy Chu Encourages and Supports First Time Women Entrepreneurs

Dr. Chu's second seminar for Women First Time Entrepreneurs was a success! The 200+ attendees were presented with information on how to start a business or expand a business, and how the Board of Equalization can assist small businesses with Sales and Use Tax compliance. And best yet, it was a free!

Women-owned businesses largely contribute to California position as the world's 8th largest economy. In the U.S., Women are starting businesses at twice the rate of men, accounting for 10.6 million businesses, employing 19.1 million people and generating \$2.5 trillion in sales.

Dr. Chu will continue to ensure that women have the necessary tools to be financially literate and independent. In the upcoming months, she will be hosting an Advanced Women's Entrepreneur Seminar, which will guide recently established women businesses in marketing, securing growth capital, procurement opportunities, evaluating personnel and professional advisors, and maintaining accurate and complete books in an event of a BOE audit.

Chair Chu with Co-Sponsors of the Women's seminar, Dr. Paulette Perfumo, President of Pasadena Community College, and Mayor Bill Bogaard, City of Pasadena.



Fostering Small Business Growth in the San Fernando Valley and Southeast Los Angeles Regions.

Board Chair Judy Chu, along with our State Controller John Chiang hosted a Free Small Business Fair, which drew a record number of small business owners from the San Fernando Valley and surrounding areas. Several months later, in Southeast Los Angeles, Chair Chu, along with Congresswoman Grace Napolitano (CA-38), and Assembly Member Tony Mendoza, sponsored another Small Business Fair, which drew 300+ attendees.



Workshop topics for both events included developing a business plan, financing your business, education on basic sales and use tax, and how to avoid common sales and use tax pitfalls. For those who were looking to enhance their business know-how, topics included how to market/grow your

business, contracting opportunities, and improving your business through better record keeping. Attendees also had the opportunity to network, and seek advice with over 20 participating agencies from various federal, state, county and local government and business non-profits.

Chair Chu believes that small business is the backbone to California's economic engine. In fact, small businesses account for nearly 88% of all businesses in the state, collectively employ more than half of the state's private sector workforce and create two-thirds of all new jobs in California. She continues to make it a priority to encourage and foster small businesses by ensuring they have a plethora of resources.

Dr. Chu Honored by Assembly Member Mike Davis, 48th District



In commemoration of Women's History Month, Dr. Chu was recognized by Assembly Member Mike Davis for the "Outstanding Achievement" Award in honor of her lifelong commitment to advocacy on behalf of women's issues. She was proud to have received this recognition.

Chair Judy Chu Addresses Tax Administrators on her Priorities on Board of Equalization



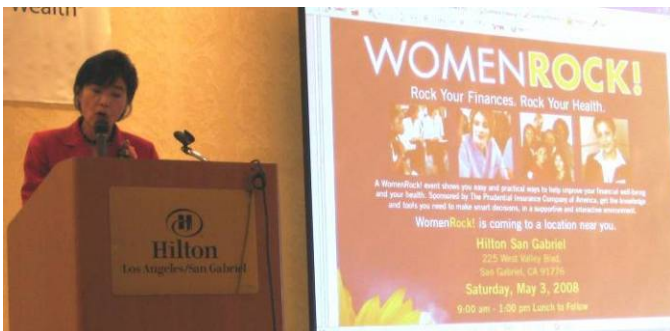
The Chair was invited to present a keynote speech at the Annual Tax Administrators Night sponsored by the Tax Executive Institute, Los Angeles Chapter. Dr. Chu spoke about her experience on the Board and primarily focused on the State's impending budget crisis and presented two solutions: her proposal to extend sales tax base and close the tax gap.

California's tax gap, which is the difference between the tax revenue owed the state and local governments and the amount actually collected, is about \$8.5 billion. The BOE members voted to approve a plan to systematically reduce the sales and use tax gap. The plan calls for the Board to implement 22 specific actions in the areas of reporting, auditing and sharing of information between the state's three tax agencies, and could generate at least \$200 million annually.

One of the biggest areas of focus is the Statewide Compliance and Outreach Program. This would target the 33,000 businesses in California that are operating without a seller's permit. Another focus is outreach to educate businesses as to their use tax liabilities on out-of-state equipment purchases.

Dr. Chu pledged to continue ensuring that our tax system is fair, consistent and transparent.

Let's Be Women Who Rock!



Judy was invited to be the keynote speaker at the "Women Rock" event, sponsored by Prudential Financial,

where attendees were offered easy, practical ways to help improve their health and financial fitness.

She emphasized some of the defining characteristics of successful women business owners include a willingness to face risk; a different management style than men; an emphasis in relationship building as well as fact gathering, and a higher propensity to consult with experts, employees, and fellow business owners. Successful women firms earning \$1 million or more in revenue are more likely to belong to formal business organizations.

Yet women continue to face certain obstacles that hold them back in business. Dr. Chu said, "Women must learn not to give up so easily. Too many women simply take 'no' for their final answer. Women must present more aggressively. (They) spend a lot of time trying not to offend or challenge others. Women must be champions for their financial knowledge and well-being, and be willing to fight, to question, and to seek out alternative resources for information."

Dr. Chu Urges Community Support for Victims of the Sichuan Earthquake



Dr. Chu joined representatives from the Tzu Chi Foundation, Congresswoman Hilda Solis, Chairman of Panda Restaurant Group Andrew Cherng, and Alhambra Hospital Medical Corp (AHMC) to offer condolences and mobilize support for the victims devastated by the 7.9 earthquake. This was one of the strongest quakes in modern history and was followed by days of strong aftershocks. The death toll is officially at about 75,000.

Survivors need help with shelter, water, food and medicine. For more information on how to donate, please call **Tzu Chi Foundation at (909) 447-7799** or visit www.tzuchi.org. Tzu Chi is an international, volunteer-led charitable organization providing humanitarian aid and medical services to families and communities locally and internationally.

Assisting Tax Filing for Domestic Partners



Chair Chu with counsel from BOE and FTB at Domestic Partners Seminars in North Hollywood and Signal Hill pictured with Mayor and City Council

Board Chair Judy Chu organized a series of Domestic Partners Tax Seminars to provide an update on useful information regarding new joint filing requirements and property tax laws that became effective this year.



The law permits same sex couples and opposite sex couples (where one of the two is over the age of 62) to file their state income taxes as a joint filing. This allows the numerous registered domestic partners in the state of California to benefit from many of the deductions formerly available to married couples only.

Judy in the Community

Board Chair Judy Chu with honoree Maria Contreras-Sweet and Helen Han, former CEO of National Association of Women Business Owners, Los Angeles Chapter (NAWBO-LA) at their 22nd Annual Leadership & Legacy Awards Luncheon



Judy Serves as a Key Panelist for West Hollywood's Second Annual Women's Leadership Conference Inspiring and Molding Future Leaders

Courtesy Photo: Arin Mikailian

Board Chair Judy Chu and State Senator Sheila Kuehl join in the festivities of the 2008 L.A. Pride Parade by Christopher Street West.



Upcoming Events

- Nonprofit Seminar – South Los Angeles July 18, 2008
- Asian Small Business Expo – Los Angeles, September 27
- Nonprofit Seminar – San Fernando Valley, October 21, 2008

For more information, please call 323 890-1221 OR visit <http://www.boe.ca.gov/members/jchu/seminars.html>

Judy in the Community

Congregation Kol Ami's 16th Annual Gala fundraiser was a huge success in raising funds for the small Reform Judaism



temple in West Hollywood. Judy Chu presented certificates of recognition to this year's honorees from the film and entertainment industries. (L-R) Robert Greenbaum, Robin Voss and Keith Lewis.



Dr. Chu shows her support of the Association of Federal, State, County and Municipal Employees (AFSCME 3299) and marched with Ralph Miller, President, Local 685, other labor leaders, and workers and students of the UCLA Medical Center for better working conditions.

Courtesy Photo: Jesse Avila



Judy presents certificates to honorees at the Winnetka Chamber of Commerce dinner.

Judy Chu joins the Los Angeles County Sheriff's Indo American Advisory Council for Baisakhi with the Sheriffs and their families.

